

**UNITED NATIONS
DEVELOPMENT
PROGRAMME**



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DP/PROJECTS/7040**

ENGLISH

**APPROVAL OF UNCDF ASSISTANCE TO A PROJECT OF
NICARAGUA**

IPF: (1987-1991) \$9 800 000
(NIC/87/C10) - Atlantic Coast Artisanal Fisheries

Date of approval by the AC: 1/	17 April 1991
Expected duration:	Three years
Proposed co-operating agency:	UNDP/OPS
Government co-operating agency:	Direccion de Pescar Artesanal (DPA)
Third-party cost sharing:	\$3 618 600
Source of funds:	Trust Fund Agreement with Government of the Netherlands
Total UNCDF budget:	\$3 618 600

Project background

The Atlantic Coastal Region of Nicaragua, the home of seven percent of the country's population, is largely isolated from the rest of the country. Once supported by fishing activities, this region has been destabilized by a number of factors: political, economic and natural.

Civil war was disrupted, in general, all economic activity. However, the fishing industry was especially hard hit, both by the United States trade embargo and by Hurricane Joan. The former resulted in the loss of the major export market and the latter destroyed homes, boats, fishing equipment and marine life, severely decapitalizing the area. Most inhabitants fled and the once flourishing fishing industry was consequently crippled. Those who remained possessed little or no gear to continue in the fishing business. After the war, re-establishment of the regional fishing industry pivoted around the extent and pace of external interventions to recapitalize the region and restore markets.

Given the dire situation of the Atlantic Coastal Region, the Government requested project intervention and specified Pearl Lagoon as the primary area of operation. Its level of development was lower than that of other sub-regions in the Bluefields area and in the country.

Description of project

In light of the above-mentioned problems that have weakened the artisanal fishing sector, the project will aim to: (i) increase incomes and provide productive employment opportunities for fishermen and their families

1/ This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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in Pearl Lagoon; (ii) generate foreign exchange through the export of marine products; and (iii) provide the artisanal fishing sector with the requisite capital inputs on a credit basis and a secure export market. Project activities will include: (a) enabling Project Management Unit to oversee three Marine Service Centers (MSES) dealing with credit administration, fish storage and marketing; (b) accepting repayment for the credit, cash or in-kind payments; (c) making tons of ice and acquiring storing capacity; (d) facilitating a wood working and boat building shop; (e) operating an engine repair and maintenance shop; (f) supplying ice and fuel; and (g) establishing a credit linked marketing system.

Credit, both in kind and cash, will be available. This credit will provide access to boats and engines, gear, traps, tools for the fishermen, boatbuilders and others in the area. The larger loans (boat construction and engine purchase) will be administered by the Fondo Nacional de Inversiones (the national investment bank), and the smaller loans (gear, maintenance, traps, etc.) by the MSCs.

Inputs

UNCDF will provide short and long-term consultants and experts; on-the-job and in-service training in marketing, boat construction and engine repair, women's micro-enterprise credit, and marine resource sustainability; subcontracts in fisheries and construction; office equipment, a launch, engine, boat and tools; and miscellaneous costs.

Financial data

	\$
Missions/Audits	150 000
Personnel (International & National)	585 200
Subcontracts	291 000
Equipment	109 000
Operating Expense	75 000
MSC	39 000
Revolving Credit (Boat Construction, Engines, Tools, Gear, Microenterprise)	1 835 000
Support Cost	226 000
Contingencies	<u>308 400</u>
Total	<u>3 618 600</u>

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